

2025 STRUCTURAL INTEGRITY RESERVE STUDY REPORT

FOR PERIOD: JANUARY 1, 2025 – DECEMBER 31, 2025

Prepared for:

The Marina at the Bluffs Condominium Association, Inc.
1550 Marina Isle Way
Jupiter, FL 33477



Prepared by:



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TABLE OF CONTENTS

<u>DESCRIPTION</u>	<u>SECTION</u>
Letter of Introduction.....	3
Report Process	4
Terminology	5
Units	6
Structural Integrity Executive Summary	7
Structural Integrity Component Detail	8
Structural Integrity Straight Line Summary	28
Structural Integrity Straight Line Detail	29
Structural Integrity 30-Year Cash Flow Summary	32
Structural Integrity 30-Year Cash Flow Detail.....	33
Florida Statutory/Administrative Requirements.....	37



October 21, 2024

Board of Directors
The Marina at the Bluffs Condominium Association, Inc.
1550 Marina Isle Way
Jupiter, FL 33477

■
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West Palm Beach, FL 33409
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**Re: The Marina At The Bluffs – 2025 Structural Integrity Reserve Study Report
– Rev 5**

As requested and authorized, this reserve study report has been prepared for the The Marina at the Bluffs Condominium Association, Inc. (“Association”) property located at 1550 Marina Isle Way Jupiter, FL 33477. The purpose of this report is to identify expendable building components, and to aid the Association in making decisions for cash reserves that will be needed for the future repair or replacement of these components.

For this report, the Association identified specific general components that it wanted to include in this reserve study. Epic estimated the useful service life of the identified components, and the remaining useful life was determined based on the date the component was placed in service. The repair/replacement costs were calculated based upon industry standards and estimating databases.

This report provides Epic’s professional opinions and is based upon observed conditions and state of repair. Some items may last longer than projected herein, and others may not last as long as projected. Factors such as maintenance, weather, catastrophic events, abuse, and/or misuse may impact the projected life expectancy. While we have prepared this report in accordance with industry standards, it is solely the Association’s discretion to determine what actual reserves to set aside. Should you have any questions, please contact me at 561-581-8800.

Respectfully submitted,
EPIC FORENSICS & ENGINEERING, INC.
Registry 30519

This item has been digitally signed and sealed by the engineer named below on the date adjacent to the seal. Printed copies of this document are not considered signed and sealed, and the signature must be verified on any electronic copies.

Samie Hatim, P.E.
Florida License 95698

REPORT PROCESS

The intent of this report is to establish the anticipated cash reserves that will be needed by the Association for future repair and/or replacement of expendable building components.

During Epic’s onsite evaluation of the property, an inventory was made of various common area components that have a limited and predictable life expectancy, and that are the Association’s responsibility to maintain. No destructive testing methods or procedures were utilized by Epic during the onsite evaluation. Quantities were determined based on field measurements and/or information contained in reviewed construction documents (as-built drawings, record set drawings, project technical specifications, etc.).

Based on the inventory created and quantities determined, cost estimates were prepared based on a combination of discussions with local contractors, obtained bid prices, reviewed manufacturer literature, and/or published historical cost data (e.g. RSMeans).

Useful life and remaining useful life for the building components identified herein were determined by using a combination of published guidelines, field experience, and onsite observations of the actual physical condition of the specific components.

This report incorporates current data and other information provided by the Association, including actual or project reserve balance amounts. This information was not audited, and all such information provided by the Association is assumed to be complete and accurate.

Based on this collected, obtained and provided information, Epic has prepared recommended annual reserve contribution amounts that have been calculated utilizing two different funding methods: (1) the Straight Line Method (non-pooled funding), and (2) the Thirty Year Cash Flow Method (pooled funding).

Straight Line Method – For this method, each component category is considered as a separate line item which must be independently fully funded based on remaining useful life. Restrictions prevent collected funds from being shared between component categories (thus also described as “non-pooled” funding). Straight line funding calculates the annual contribution amount for each component by dividing the component’s unfunded balance by its remaining useful life (“RUL”). The annual contribution amount for every individual component is then summed to calculate the total annual contribution rate.

- This method does not take into account interest or inflation.

Thirty Year (30-Year) Cash Flow Method – For this method, all reserve funds are combined into a single general-use account which can be shared between component categories (thus also described as “pooled” funding). A thirty year cash flow analysis is performed to determine the annual contribution. The reserve balance on hand at the beginning of the period for which the budget will go into effect, plus the project cash inflow, must be sufficient to cover all projected cash outflows over the study period.

- This method does take into account interest and inflation.
- This “pooled” method typically results in reduced annual contributions, as it eliminates the possible scenario in the “non-pooled” method whereby potentially significant funds exist in the reserve account, but they may be unusable for the particular component requiring funding.

There are many factors that can impact reserve costs. It is recommended that the information in this study be reviewed and updated annually to help ensure that sufficient funds are on hand when expenditures are required.

TERMINOLOGY

The following words, terms and phrases, as used herein, shall have the following meanings:

Component – A specific item or element that is the Association’s responsibility, has a limited useful life expectancy, has a predicable remaining useful life, and has a replacement cost in excess of the minimum amount established by state statutes.

Current Cost – The estimated cost to presently replace a component.

Quantity – The number of each component, measured in applicable units.

Remaining Useful Life (“RUL”) – The estimated time remaining until the component can no longer be expected to continue to serve its intended function.

Units – A definite magnitude of a quantity, defined and adopted by convention or by law, which is used as a standard for measurement of the same kind of quantity.

Unfunded Balance – The component replacement cost less the component reserve balance at the beginning of the analysis period.

Useful Life – The estimated time a component can be expected to serve its intended function.



UNITS

The following abbreviations, as used herein, shall represent the following corresponding units:

Cab	Elevator Cab
CFM	Cubic Feet per Minute
EA	Each
kW	Kilowatt
LF	Linear Foot
LS	Lump Sum
SF	Square Foot/Feet
SY	Square Yard
SQ	Square (a measurement of roof surface area: 1 SQ = 100 Square Feet)
Tons	Tons (as used for rating A/C units)
Units	Residential Unit

Structural Integrity Executive Summary

2025 Reserve Study

Budget Year Begins: January 1, 2025
Budget Year Ends: December 31, 2025

Property Data

Property Name: The Marina At The Bluffs
Property Location: 1550 Marina Isle Way, Jupiter, FL 33477
Property County: Palm Beach
Property Type: Condominium
Property Built Date: 1986

Main Categories, Sub-Components and Parameters

Main Categories:

1 - Common Areas	7 - Fire Safety/Security	
2 - Common Area Interiors	8 - Painting & Waterproofing	
3 - Roof	9 - Structural Systems	
4 - Mechanical/Electrical	10 - Pool	
5 - Elevators	11 - Site Improvements	
6 - Plumbing	12 - Miscellaneous	

Total number of categories in reserve study:	12
Total current cost for all reserve components:	\$23,950,084
Estimated beginning reserve fund balance:	\$1,900,000
Total number of components scheduled for replacement in Study Budget Year:	20
Total cost of components scheduled for replacement in Study Budget Year:	\$331,836.00

Straight Line Funding Analysis

Current Annual Reserve Contribution Amount:	\$0
Recommended Annual Reserve Funding Contribution Amount:	\$1,666,274
Annual Increase (\$) or Decrease (-\$):	\$1,666,274
Annual Increase (%) or Decrease (-%):	100%

30-Year Pooled Cash Flow Funding Plan Analysis

Current Annual Reserve Contribution Amount:	\$0
Recommended Annual Reserve Funding Contribution Amount:	\$1,050,000
Annual Increase (\$) or Decrease (-\$):	\$1,050,000
Annual Increase (%) or Decrease (-%):	100%

2025 Reserve Study

Category:	Common Areas
Component:	Furnishing/Finishes

Unit:	EA
Basis Cost (\$/Unit):	See Below

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Club Room	2015	15	0	2030	5	4	\$ 33,280.00
Management Room	2015	15	0	2030	5	1	\$ 13,420.00

Comments:

Typically, properties will complete major upgrades based on a probable life cycle in the range of 15 years +/- . It is expected that minor repairs and/or replacements will occur from time to time. This item includes major furniture/furnishing/finish replacements within the interior common areas, including wall and window treatments, mirrors, wall art, lamps/lighting, chairs, tables, etc. As with any cosmetic renovation, actual costs can vary significantly depending on aesthetic preferences.

Representative Photo(s):



2025 Reserve Study

Category:	Common Areas	Unit:	LS
Component:	Windows and Doors	Basis Cost (\$/Unit):	See Below

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Windows and Doors	1998	30	7	2035	10	1	\$ 7,982,664.00

Comments:
 The windows and exterior doors of the common areas will typically have an estimated useful life of 20 to 30 years. Minor repair and maintenance is typically expensed under the operating budget. The total cost includes major inventory replacements for common area windows and exterior doors. As with any cosmetic renovation, actual costs can vary significantly depending on aesthetic preferences.

Representative Photo(s):



2025 Reserve Study

Category:	Common Area Interiors	Unit:	SF
Component:	Pool Restrooms	Basis Cost (\$/Unit):	\$ 85.00

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Men/Women	2015	25	0	2040	15	2160	\$ 183,600.00

Comments:
 Properties will typically complete major upgrades of the common area restroom interiors based on a probable life cycle in the range of 25 years +/- . This component covers costs related to major interior renovations, including flooring, wall/ceiling finishes, mirrors, dividers, countertops, lighting, and plumbing fixtures. As with any cosmetic renovation, actual costs can vary significantly depending on aesthetic preferences.

Representative Photo(s):



2025 Reserve Study

Category:	Roof	Unit:	SF
Component:	Roof	Basis Cost (\$/Unit):	\$ 12.54

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Condominiums	2021	25	0	2046	21	227,568	\$ 2,853,702.72
Carports	2021	25	0	2046	21	12,399	\$ 155,483.46
Pool house	2021	25	0	2046	21	9,153	\$ 114,778.62

Comments:

A properly installed and maintained gable roof in the local market has a probable life cycle in the 15 to 25 year range. The cost includes removal and disposal of the existing roof, minor repairs to underlying roof structures, flashing, and installation of like roofing.

Representative Photo(s):



2025 Reserve Study

Category:	Mechanical/Electrical
Component:	Common Area AHU

Unit:	Tons
Basis Cost (\$/Unit):	\$ 4,000.00

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Air Handler Units	1986	12	28	2026	1	4	\$ 16,000.00

Comments:
 An anticipated useful life of 10 to 15 years is typical for split DX units as well as air handler units. Total replacement cost includes equipment and labor.

Representative Photo(s):



2025 Reserve Study

Category:	Mechanical/Electrical	Unit:	EA
Component:	Fire Pump	Basis Cost (\$/Unit):	See Below

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Pump	1986	35	4	2025	0	2	\$ 120,000.00
Controller	1986	35	4	2025	0	2	\$ 114,930.00

Comments:

The system typically has an anticipated life expectancy of 35 to 40 years. Other fire protection items tend to be funded through an annual maintenance contract, and are not addressed in this report. The fire pump is driven by a 120-hp motor.

Representative Photo(s):



2025 Reserve Study

Category:	Elevators
Component:	Modernization

Unit:	Cab
Basis Cost (\$/Unit):	\$ 200,000.00

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Elevators	2024	25	0	2049	24	22	\$ 4,400,000.00

Comments:

Elevator modernization will typically occur on a 25 to 30 year cycle, assuming a proper routine maintenance program. This includes modernization of elevator mechanical and electrical equipment, as well as controllers, door hardware, etc.

Representative Photo(s):



2025 Reserve Study

Category:	Plumbing
Component:	Plumbing

Unit:	LS
Basis Cost (\$/Unit):	See below

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Plumbing - Allocation	2025	10	0	2035	10	1	\$ 32,000.00

Comments:
 An allocation for updates to the plumbing systems is based on an estimated useful life of 10 years. The total cost includes minor upgrades to the domestic and sanitary risers throughout the property.

Representative Photo(s):



2025 Reserve Study

Category:	Mechanical/Electrical	Unit:	kW
Component:	Generator	Basis Cost (\$/Unit):	\$ 237.50

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Building 9 Generator	1986	35	9	2030	5	350	\$ 83,125.00
Building 17 Generator	1986	35	5	2026	1	350	\$ 83,125.00

Comments:

Typically, diesel generators will have a 35 to 40 year life expectancy. Replacement costs include batteries, charger, muffler, and transfer switch. The generators are rated at 350kW.

Representative Photo(s):



2025 Reserve Study

Category:	Fire Safety/Security	Unit:	EA
Component:	Fire Alarm System Modernization	Basis Cost (\$/Unit):	\$ 39,075.00

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Fire Alarm	2024	30	0	2054	29	22	\$ 859,650.00

Comments:

Major modernization of a fire alarm system can be expected on a 20 to 30 year cycle. Improvements in technology and parts obsolescence typically dictate the upgrade. As the system ages, it should be assessed by a qualified life safety engineer to determine specific remaining useful life and code requirements.

Representative Photo(s):



2025 Reserve Study

Category:	Painting & Waterproofing	Unit:	EA
Component:	Paint Exterior	Basis Cost (\$/Unit):	See Below

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Exterior Main Building	1986	8	30	2024	0	520,485	\$ 260,242.50

Comments:
 Painting, along with minor concrete/stucco repair and window seal repair, is anticipated to occur on a 5 to 8 year cycle. Railing painting is anticipated to occur on 15 to 20 year cycle. Exterior main building includes façade and balcony ceilings. This cost does not include swing stage equipment needed to access certain parts of the building façade.

Representative Photo(s):



2025 Reserve Study

Category:	Structrural Systems	Unit:	SF
Component:	Concrete	Basis Cost (\$/Unit):	See below

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Building Repairs	2024	10	0	2034	9	52,049	\$ 468,436.50

Comments:
 Concrete will typically have an estimated useful life of 30 to 40 years. It is common for a property to allocate funding over a 10 year period for as needed concrete repairs. Minor repair and maintenance is typically expensed under the operating budget. The total cost includes major repair and restoration for approximately 10% of the property's structural concrete.

Representative Photo(s):



2025 Reserve Study

Category:	Pool
Component:	Pool Deck

Unit:	SF
Basis Cost (\$/Unit):	See Below

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Pool Surface	2018	12	0	2030	5	2660	\$ 47,880.00
Pool Deck	1986	30	9	2025	0	9040	\$ 90,400.00

Comments:

The typical life expectancy of the overall system is 10 to 12 years. This includes the surfaces and tiles of the pool deck. As with any cosmetic renovation, actual costs can vary significantly depending on aesthetic preferences.

Representative Photo(s):



2025 Reserve Study

Category:	Pool	Unit:	EA
Component:	Equipment	Basis Cost (\$/Unit):	See Below

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Pool Pump	2020	12	0	2032	7	4	\$ 14,300.00
Pool Heater	2020	12	0	2032	7	4	\$ 15,050.00

Comments:
 The typical life expectancy of the overall system is 10 to 12 years. Ongoing regular maintenance will require periodic replacement of pumps and filters. However, with proper maintenance and attention, it is not typically necessary to replace the entire equipment system at one time.

Representative Photo(s):



2025 Reserve Study

Category:	Pool
Component:	Furniture

Unit:	EA
Basis Cost (\$/Unit):	\$ 500.00

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Pool Furniture	2023	15	0	2038	13	200	\$ 100,000.00

Comments:

The typical life expectancy of the overall system is 15 +/- years. The furniture and tables are at a lump cost per unit. As with any cosmetic renovation, actual costs can vary significantly depending on aesthetic preferences.

Representative Photo(s):



2025 Reserve Study

Category:	Site Improvements
Component:	Parking Lot

Unit:	SF
Basis Cost (\$/Unit):	\$ 7.00

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Concrete Restoration	1986	25	20	2031	6	21,609	\$ 151,259.50

Comments:

Major inventory replacement can be expected on a 25 year life cycle. Minor repair and maintenance is typically expensed under the operating budget.

Representative Photo(s):



2025 Reserve Study

Category:	Site Improvements
Component:	Pavement

Unit:	SF
Basis Cost (\$/Unit):	\$ 20.00

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Pavers/Sidewalks	2013	27	0	2040	15	69,271	\$ 1,385,427.12

Comments:
 Concrete pavers typically have a 25 to 30 year life expectancy. Minor repair and maintenance is typically expensed under the operating budget. This cost pertains to the complete installation of concrete pavers and concrete sidewalks. As with any cosmetic renovation, actual costs can vary significantly depending on aesthetic preferences.

Representative Photo(s):



2025 Reserve Study

Category:	Site Improvements
Component:	Site Lighting

Unit:	EA
Basis Cost (\$/Unit):	See Below

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Exterior/Path Lighting	2014	25	0	2039	14	198	\$ 33,660.00
Tennis Court Lighting	2024	25	0	2049	24	2	\$ 30,000.00

Comments:

Major inventory replacement can be expected on a 25 year life cycle. Minor repair and maintenance is typically expensed under the operating budget. As with any cosmetic renovation, actual costs can vary significantly depending on aesthetic preferences.

Representative Photo(s):



2025 Reserve Study

Category:	Miscellaneous
Component:	Tennis Courts

Unit:	EA
Basis Cost (\$/Unit):	See Below

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Hardcourt Tennis Court	2018	5	0	2023	0	2	\$ 23,500.00

Comments:

The average life of a hardtop tennis court is 5 years with regular use and natural weathering. Tennis courts are to be properly maintained to ensure they have a proper life span. This cost pertains to the complete resurfacing and replacing of the tennis courts. As with most sports courts, the cost can vary depending on the owners preferences over the court.

Representative Photo(s):



2025 Reserve Study

Category:	Miscellaneous
Component:	Railings

Unit:	EA
Basis Cost (\$/Unit):	See Below

Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	Replacement Year	RUL (Years)	Unit Qty.	Total Replacement Cost
Railing (2009)	2009	50	0	2059	34	19,474	\$ 2,142,085.00
Railing (1986)	1986	50	5	2041	16	19,474	\$ 2,142,085.00

Comments:
 Railing systems typically have an estimated useful life of 30 to 50 years. The total cost includes material and labor for the replacement of the balcony railings.

Representative Photo(s):



Structural Integrity Straight Line Summary

Main Category	Current Costs	Initial Balance	Reserve %	Unfunded Balance	2025 Contribution
Common Areas	\$8,029,364.00	\$636,982.79	33.53%	\$7,392,381.21	\$536,847.60
Common Area Interiors	\$183,600.00	\$14,565.29	0.77%	\$169,034.71	\$13,464.00
Roof	\$3,123,964.80	\$247,829.32	13.04%	\$2,876,135.48	\$229,090.75
Mechanical/Electrical	\$417,180.00	\$33,095.58	1.74%	\$384,084.42	\$26,701.62
Elevators	\$4,400,000.00	\$349,059.31	18.37%	\$4,050,940.69	\$322,666.67
Plumbing	\$32,000.00	\$2,538.61	0.13%	\$29,461.39	\$4,266.67
Fire Safety/Security	\$859,650.00	\$68,197.46	3.59%	\$791,452.54	\$57,310.00
Painting & Waterproofing	\$260,242.50	\$20,645.47	1.09%	\$239,597.03	\$41,205.06
Structrural Systems	\$468,436.50	\$37,161.85	1.96%	\$431,274.65	\$62,458.20
Pool	\$267,630.00	\$21,231.54	1.12%	\$246,398.46	\$25,036.83
Site Improvements	\$1,600,346.62	\$126,958.15	6.68%	\$1,473,388.47	\$113,253.78
Miscellaneous	\$4,307,670.00	\$341,734.62	17.99%	\$3,965,935.38	\$233,972.40
GRAND TOTAL	\$23,950,084.42	\$1,900,000.00	100.00%	\$22,050,084.42	\$1,666,273.58

Structural Integrity Straight Line Detail

Category/Component/Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	RUL (Years)	Current Replacement Cost	Reserve %	Reserve Balance	Unfunded Balance	Annual Contribution
Common Areas									
Furnishing/Finishes									
Club Room	2015	15	0	5	\$ 33,280.00	0.14%	\$ 2,640.16	\$ 30,639.84	\$ 3,328.00
Management Room	2015	15	0	5	\$ 13,420.00	0.06%	\$ 1,064.63	\$ 12,355.37	\$ 1,342.00
Totals					\$ 46,700.00	0.19%	\$ 3,704.79	\$ 42,995.21	\$ 4,670.00
Common Areas									
Windows and Doors									
Windows and Doors	1998	30	7	10	\$ 7,982,664.00	33.33%	\$ 633,278.00	\$ 7,349,386.00	\$ 532,177.60
Totals					\$ 7,982,664.00	33.33%	\$ 633,278.00	\$ 7,349,386.00	\$ 532,177.60
Common Area Interiors									
Pool Restrooms									
Men/Women	2015	25	0	15	\$ 183,600.00	0.77%	\$ 14,565.29	\$ 169,034.71	\$ 13,464.00
Totals					\$ 183,600.00	0.77%	\$ 14,565.29	\$ 169,034.71	\$ 13,464.00
Roof									
Roof									
Condominiums	2021	25	0	21	\$ 2,853,702.72	11.92%	\$ 226,388.98	\$ 2,627,313.74	\$ 209,271.53
Carports	2021	25	0	21	\$ 155,483.46	0.65%	\$ 12,334.76	\$ 143,148.70	\$ 11,402.12
Pool house	2021	25	0	21	\$ 114,778.62	0.48%	\$ 9,105.58	\$ 105,673.04	\$ 8,417.10
Totals					\$ 3,123,964.80	13.04%	\$ 247,829.32	\$ 2,876,135.48	\$ 229,090.75
Mechanical/Electrical									
Common Area AHU									
Air Handler Units	1986	12	28	1	\$ 16,000.00	0.07%	\$ 1,269.31	\$ 14,730.69	\$ 1,866.67
Totals					\$ 16,000.00	0.07%	\$ 1,269.31	\$ 14,730.69	\$ 1,866.67
Mechanical/Electrical									
Fire Pump									
Pump	1986	35	4	0	\$ 120,000.00	0.50%	\$ 9,519.80	\$ 110,480.20	\$ 7,428.57
Controller	1986	35	4	0	\$ 114,930.00	0.48%	\$ 9,117.59	\$ 105,812.41	\$ 7,114.71
Totals					\$ 234,930.00	0.98%	\$ 18,637.39	\$ 216,292.61	\$ 14,543.29
Elevators									
Modernization									
Elevators	2024	25	0	24	\$ 4,400,000.00	18.37%	\$ 349,059.31	\$ 4,050,940.69	\$ 322,666.67
Totals					\$ 4,400,000.00	18.37%	\$ 349,059.31	\$ 4,050,940.69	\$ 322,666.67
Plumbing									
Plumbing									
Plumbing - Allocation	2025	10	0	10	\$ 32,000.00	0.13%	\$ 2,538.61	\$ 29,461.39	\$ 4,266.67
Totals					\$ 32,000.00	0.13%	\$ 2,538.61	\$ 29,461.39	\$ 4,266.67

Structural Integrity Straight Line Detail

Category/Component/Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	RUL (Years)	Current Replacement Cost	Reserve %	Reserve Balance	Unfunded Balance	Annual Contribution
Mechanical/Electrical									
Generator									
Building 9 Generator	1986	35	9	5	\$ 83,125.00	0.35%	\$ 6,594.44	\$ 76,530.56	\$ 5,145.83
Building 17 Generator	1986	35	5	1	\$ 83,125.00	0.35%	\$ 6,594.44	\$ 76,530.56	\$ 5,145.83
Totals					\$ 166,250.00	0.69%	\$ 13,188.89	\$ 153,061.11	\$ 10,291.67
Fire Safety/Security									
Fire Alarm System Modernization									
Fire Alarm	2024	30	0	29	\$ 859,650.00	3.59%	\$ 68,197.46	\$ 791,452.54	\$ 57,310.00
Totals					\$ 859,650.00	3.59%	\$ 68,197.46	\$ 791,452.54	\$ 57,310.00
Painting & Waterproofing									
Paint Exterior									
Exterior Main Building	1986	8	30	0	\$ 260,242.50	1.09%	\$ 20,645.47	\$ 239,597.03	\$ 41,205.06
Totals					\$ 260,242.50	1.09%	\$ 20,645.47	\$ 239,597.03	\$ 41,205.06
Structural Systems									
Concrete									
Building Repairs	2024	10	0	9	\$ 468,436.50	1.96%	\$ 37,161.85	\$ 431,274.65	\$ 62,458.20
Totals					\$ 468,436.50	1.96%	\$ 37,161.85	\$ 431,274.65	\$ 62,458.20
Pool									
Pool Deck									
Pool Surface	2018	12	0	5	\$ 47,880.00	0.20%	\$ 3,798.40	\$ 44,081.60	\$ 5,586.00
Pool Deck	1986	30	9	0	\$ 90,400.00	0.38%	\$ 7,171.58	\$ 83,228.42	\$ 6,026.67
Totals					\$ 138,280.00	0.58%	\$ 10,969.98	\$ 127,310.02	\$ 11,612.67
Pool									
Equipment									
Pool Pump	2020	12	0	7	\$ 14,300.00	0.06%	\$ 1,134.44	\$ 13,165.56	\$ 1,668.33
Pool Heater	2020	12	0	7	\$ 15,050.00	0.06%	\$ 1,193.94	\$ 13,856.06	\$ 1,755.83
Totals					\$ 29,350.00	0.12%	\$ 2,328.38	\$ 27,021.62	\$ 3,424.17
Pool									
Furniture									
Pool Furniture	2023	15	0	13	\$ 100,000.00	0.42%	\$ 7,933.17	\$ 92,066.83	\$ 10,000.00
Totals					\$ 100,000.00	0.42%	\$ 7,933.17	\$ 92,066.83	\$ 10,000.00
Site Improvements									
Parking Lot									
Concrete Restoration	1986	25	20	6	\$ 151,259.50	0.63%	\$ 11,999.67	\$ 139,259.83	\$ 11,092.36
Totals					\$ 151,259.50	0.63%	\$ 11,999.67	\$ 139,259.83	\$ 11,092.36

Structural Integrity Straight Line Detail

Category/Component/Sub-Component	Year Placed in Service	Useful Life (Years)	Adjustment (Years)	RUL (Years)	Current Replacement Cost	Reserve %	Reserve Balance	Unfunded Balance	Annual Contribution
Site Improvements									
Pavement									
Pavers/Sidewalks	2013	27	0	15	\$ 1,385,427.12	5.78%	\$ 109,908.24	\$ 1,275,518.88	\$ 97,493.02
Totals					\$ 1,385,427.12	5.78%	\$ 109,908.24	\$ 1,275,518.88	\$ 97,493.02
Site Improvements									
Site Lighting									
Exterior/Path Lighting	2014	25	0	14	\$ 33,660.00	0.14%	\$ 2,670.30	\$ 30,989.70	\$ 2,468.40
Tennis Court Lighting	2024	25	0	24	\$ 30,000.00	0.13%	\$ 2,379.95	\$ 27,620.05	\$ 2,200.00
Totals					\$ 63,660.00	0.27%	\$ 5,050.25	\$ 58,609.75	\$ 4,668.40
Miscellaneous									
Tennis Courts									
Hardcourt Tennis Court	2018	5	0	0	\$ 23,500.00	0.10%	\$ 1,864.29	\$ 21,635.71	\$ 5,483.33
Totals					\$ 23,500.00	0.10%	\$ 1,864.29	\$ 21,635.71	\$ 5,483.33
Miscellaneous									
Railings									
Railing (2009)	2009	50	0	34	\$ 2,142,085.00	8.94%	\$ 169,935.16	\$ 1,972,149.84	\$ 114,244.53
Railing (1986)	1986	50	5	16	\$ 2,142,085.00	8.94%	\$ 169,935.16	\$ 1,972,149.84	\$ 114,244.53
Totals					\$ 4,284,170.00	17.89%	\$ 339,870.33	\$ 3,944,299.67	\$ 228,489.07
Grand Total					\$ 23,950,084.42	100.00%	\$ 1,900,000.00	\$ 22,050,084.42	\$ 1,666,273.58

Structural Integrity 30-Year Cash Flow Summary

Year No.	Actual Year	Beginning Reserve Balance	Annual Reserve Contribution	Interest Rate	Interest Earned	Expense Cost (w/ Inflation)	Ending Year Balance
1	2025	\$ 1,900,000.00	\$ 1,050,000.00	2.0%	\$ 38,000.00	\$ 331,836.60	\$ 2,656,163.40
2	2026	\$ 2,656,163.40	\$ 1,050,000.00	2.0%	\$ 53,123.27	\$ 103,129.65	\$ 3,656,157.02
3	2027	\$ 3,656,157.02	\$ 1,050,000.00	2.0%	\$ 73,123.14	\$ -	\$ 4,779,280.16
4	2028	\$ 4,779,280.16	\$ 1,050,000.00	2.0%	\$ 95,585.60	\$ 25,437.16	\$ 5,899,428.61
5	2029	\$ 5,899,428.61	\$ 1,050,000.00	2.0%	\$ 117,988.57	\$ -	\$ 7,067,417.18
6	2030	\$ 7,067,417.18	\$ 1,050,000.00	2.0%	\$ 141,348.34	\$ 200,124.69	\$ 8,058,640.83
7	2031	\$ 8,058,640.83	\$ 1,050,000.00	2.0%	\$ 161,172.82	\$ 173,749.62	\$ 9,096,064.03
8	2032	\$ 9,096,064.03	\$ 1,050,000.00	2.0%	\$ 181,921.28	\$ 339,303.77	\$ 9,988,681.54
9	2033	\$ 9,988,681.54	\$ 1,050,000.00	2.0%	\$ 199,773.63	\$ 28,084.68	\$ 11,210,370.49
10	2034	\$ 11,210,370.49	\$ 1,050,000.00	2.0%	\$ 224,207.41	\$ 571,021.48	\$ 11,913,556.42
11	2035	\$ 11,913,556.42	\$ 1,050,000.00	2.0%	\$ 238,271.13	\$ 9,965,227.31	\$ 3,236,600.24
12	2036	\$ 3,236,600.24	\$ 1,050,000.00	2.0%	\$ 64,732.00	\$ -	\$ 4,351,332.25
13	2037	\$ 4,351,332.25	\$ 1,050,000.00	2.0%	\$ 87,026.64	\$ -	\$ 5,488,358.89
14	2038	\$ 5,488,358.89	\$ 1,050,000.00	2.0%	\$ 109,767.18	\$ 184,067.29	\$ 6,464,058.78
15	2039	\$ 6,464,058.78	\$ 1,050,000.00	2.0%	\$ 129,281.18	\$ 45,301.93	\$ 7,598,038.03
16	2040	\$ 7,598,038.03	\$ 1,050,000.00	2.0%	\$ 151,960.76	\$ 2,511,195.19	\$ 6,288,803.61
17	2041	\$ 6,288,803.61	\$ 1,050,000.00	2.0%	\$ 125,776.07	\$ 2,999,436.14	\$ 4,465,143.54
18	2042	\$ 4,465,143.54	\$ 1,050,000.00	2.0%	\$ 89,302.87	\$ 68,384.43	\$ 5,536,061.98
19	2043	\$ 5,536,061.98	\$ 1,050,000.00	2.0%	\$ 110,721.24	\$ 34,235.06	\$ 6,662,548.16
20	2044	\$ 6,662,548.16	\$ 1,050,000.00	2.0%	\$ 133,250.96	\$ 739,684.55	\$ 7,106,114.56
21	2045	\$ 7,106,114.56	\$ 1,050,000.00	2.0%	\$ 142,122.29	\$ 119,282.94	\$ 8,178,953.91
22	2046	\$ 8,178,953.91	\$ 1,050,000.00	2.0%	\$ 163,579.08	\$ 4,829,586.07	\$ 4,562,946.92
23	2047	\$ 4,562,946.92	\$ 1,050,000.00	2.0%	\$ 91,258.94	\$ -	\$ 5,704,205.86
24	2048	\$ 5,704,205.86	\$ 1,050,000.00	2.0%	\$ 114,084.12	\$ 456,382.01	\$ 6,411,907.97
25	2049	\$ 6,411,907.97	\$ 1,050,000.00	2.0%	\$ 128,238.16	\$ 7,267,884.56	\$ 322,261.57
26	2050	\$ 322,261.57	\$ 1,050,000.00	2.0%	\$ 6,445.23	\$ 26,774.69	\$ 1,351,932.11
27	2051	\$ 1,351,932.11	\$ 1,050,000.00	2.0%	\$ 27,038.64	\$ -	\$ 2,428,970.76
28	2052	\$ 2,428,970.76	\$ 1,050,000.00	2.0%	\$ 48,579.42	\$ -	\$ 3,527,550.17
29	2053	\$ 3,527,550.17	\$ 1,050,000.00	2.0%	\$ 70,551.00	\$ 219,316.82	\$ 4,428,784.36
30	2054	\$ 4,428,784.36	\$ 1,050,000.00	2.0%	\$ 88,575.69	\$ 2,492,372.86	\$ 3,074,987.18
Grand Total			\$ 31,500,000.00		\$ 3,406,806.67	\$ 33,731,819.48	

Structural Integrity 30-Year Cash Flow Detail

Inflation Rate Utilized: 2.0%

Interest Rate Utilized: 2.0%

Category	Component	Sub-Component	Expense Cost	
			Today	Future (w/ Inflation)
Year 1: 2025			Year 1 Total	\$ 331,836.60
Mechanical/Electrical	Fire Pump	Pump	\$ 120,000.00	\$ 122,400.00
Mechanical/Electrical	Fire Pump	Controller	\$ 114,930.00	\$ 117,228.60
Pool	Pool Deck	Pool Deck	\$ 90,400.00	\$ 92,208.00
Year 2: 2026			Year 2 Total	\$ 103,129.65
Mechanical/Electrical	Common Area AHU	Air Handler Units	\$ 16,000.00	\$ 16,646.40
Mechanical/Electrical	Generator	Building 17 Generator	\$ 83,125.00	\$ 86,483.25
Year 3: 2027			Year 3 Total	\$ -
Year 4: 2028			Year 4 Total	\$ 25,437.16
Miscellaneous	Tennis Courts	Hardcourt Tennis Court	\$ 23,500.00	\$ 25,437.16
Year 5: 2029			Year 5 Total	\$ -
Year 6: 2030			Year 6 Total	\$ 200,124.69
Common Areas	Furnishing/Finishes	Club Room	\$ 33,280.00	\$ 37,478.69
Common Areas	Furnishing/Finishes	Management Room	\$ 13,420.00	\$ 15,113.10
Mechanical/Electrical	Generator	Building 9 Generator	\$ 83,125.00	\$ 93,612.25
Pool	Pool Deck	Pool Surface	\$ 47,880.00	\$ 53,920.66
Year 7: 2031			Year 7 Total	\$ 173,749.62
Site Improvements	Parking Lot	Concrete Restoration	\$ 151,259.50	\$ 173,749.62
Year 8: 2032			Year 8 Total	\$ 339,303.77
Painting & Waterproofing	Paint Exterior	Exterior Main Building	\$ 260,242.50	\$ 304,915.57
Pool	Equipment	Pool Pump	\$ 14,300.00	\$ 16,754.73
Pool	Equipment	Pool Heater	\$ 15,050.00	\$ 17,633.47

Category	Component	Sub-Component	Expense Cost	
			Today	Future (w/ Inflation)
Year 9: 2033			Year 9 Total	\$ 28,084.68
Miscellaneous	Tennis Courts	Hardcourt Tennis Court	\$ 23,500.00	\$ 28,084.68
Year 10: 2034			Year 10 Total	\$ 571,021.48
Structural Systems	Concrete	Building Repairs	\$ 468,436.50	\$ 571,021.48
Year 11: 2035			Year 11 Total	\$ 9,965,227.31
Common Areas	Windows and Doors	Windows and Doors	\$ 7,982,664.00	\$ 9,925,439.33
Plumbing	Plumbing	Plumbing - Allocation	\$ 32,000.00	\$ 39,787.98
Year 12: 2036			Year 12 Total	\$ -
Year 13: 2037			Year 13 Total	\$ -
Year 14: 2038			Year 14 Total	\$ 184,067.29
Mechanical/Electrical	Common Area AHU	Air Handler Units	\$ 16,000.00	\$ 21,111.66
Pool	Furniture	Pool Furniture	\$ 100,000.00	\$ 131,947.88
Miscellaneous	Tennis Courts	Hardcourt Tennis Court	\$ 23,500.00	\$ 31,007.75
Year 15: 2039			Year 15 Total	\$ 45,301.93
Site Improvements	Site Lighting	Exterior/Path Lighting	\$ 33,660.00	\$ 45,301.93
Year 16: 2040			Year 16 Total	\$ 2,511,195.19
Common Area Interiors	Pool Restrooms	Men/Women	\$ 183,600.00	\$ 252,043.46
Painting & Waterproofing	Paint Exterior	Exterior Main Building	\$ 260,242.50	\$ 357,257.18
Site Improvements	Pavement	Pavers/Sidewalks	\$ 1,385,427.12	\$ 1,901,894.55
Year 17: 2041			Year 17 Total	\$ 2,999,436.14
Miscellaneous	Railings	Railing (1986)	\$ 2,142,085.00	\$ 2,999,436.14
Year 18: 2042			Year 18 Total	\$ 68,384.43
Pool	Pool Deck	Pool Surface	\$ 47,880.00	\$ 68,384.43

Category	Component	Sub-Component	Expense Cost	
			Today	Future (w/ Inflation)
Year 19: 2043			Year 19 Total	\$ 34,235.06
Miscellaneous	Tennis Courts	Hardcourt Tennis Court	\$ 23,500.00	\$ 34,235.06
Year 20: 2044			Year 20 Total	\$ 739,684.55
Structrural Systems	Concrete	Building Repairs	\$ 468,436.50	\$ 696,072.00
Pool	Equipment	Pool Pump	\$ 14,300.00	\$ 21,249.05
Pool	Equipment	Pool Heater	\$ 15,050.00	\$ 22,363.51
Year 21: 2045			Year 21 Total	\$ 119,282.94
Common Areas	Furnishing/Finishes	Club Room	\$ 33,280.00	\$ 50,441.38
Common Areas	Furnishing/Finishes	Management Room	\$ 13,420.00	\$ 20,340.24
Plumbing	Plumbing	Plumbing - Allocation	\$ 32,000.00	\$ 48,501.32
Year 22: 2046			Year 22 Total	\$ 4,829,586.07
Roof	Roof	Condominiums	\$ 2,853,702.72	\$ 4,411,766.39
Roof	Roof	Carports	\$ 155,483.46	\$ 240,374.27
Roof	Roof	Pool house	\$ 114,778.62	\$ 177,445.41
Year 23: 2047			Year 23 Total	\$ -
Year 24: 2048			Year 24 Total	\$ 456,382.01
Painting & Waterproofing	Paint Exterior	Exterior Main Building	\$ 260,242.50	\$ 418,583.73
Miscellaneous	Tennis Courts	Hardcourt Tennis Court	\$ 23,500.00	\$ 37,798.28
Year 25: 2049			Year 25 Total	\$ 7,267,884.56
Elevators	Modernization	Elevators	\$ 4,400,000.00	\$ 7,218,666.38
Site Improvements	Site Lighting	Tennis Court Lighting	\$ 30,000.00	\$ 49,218.18
Year 26: 2050			Year 26 Total	\$ 26,774.69
Mechanical/Electrical	Common Area AHU	Air Handler Units	\$ 16,000.00	\$ 26,774.69
Year 27: 2051			Year 27 Total	\$ -
Year 28: 2052			Year 28 Total	\$ -

Category	Component	Sub-Component	Expense Cost	
			Today	Future (w/ Inflation)
Year 29: 2053			Year 29 Total	\$ 219,316.82
Pool	Furniture	Pool Furniture	\$ 100,000.00	\$ 177,584.47
Miscellaneous	Tennis Courts	Hardcourt Tennis Court	\$ 23,500.00	\$ 41,732.35
Year 30: 2054			Year 30 Total	\$ 2,492,372.86
Fire Safety/Security	Fire Alarm System Modernization	Fire Alarm	\$ 859,650.00	\$ 1,557,136.99
Structrural Systems	Concrete	Building Repairs	\$ 468,436.50	\$ 848,507.88
Pool	Pool Deck	Pool Surface	\$ 47,880.00	\$ 86,727.99

FLORIDA STATUTORY / ADMINISTRATIVE REQUIREMENTS

2023 Florida Statutes
CHAPTER 718 – CONDOMINIUMS

718.112 Bylaws.—

Section 718.112(2)(f)

...

(f) *Annual budget.*—

1. The proposed annual budget of estimated revenues and expenses must be detailed and must show the amounts budgeted by accounts and expense classifications, including, at a minimum, any applicable expenses listed in s. [718.504](#)(21). A multicondominium association shall adopt a separate budget of common expenses for each condominium the association operates and shall adopt a separate budget of common expenses for the association. In addition, if the association maintains limited common elements with the cost to be shared only by those entitled to use the limited common elements as provided for in s. [718.113](#)(1), the budget or a schedule attached to it must show the amount budgeted for this maintenance. If, after turnover of control of the association to the unit owners, any of the expenses listed in s. [718.504](#)(21) are not applicable, they need not be listed.

2.a. In addition to annual operating expenses, the budget must include reserve accounts for capital expenditures and deferred maintenance. These accounts must include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000. The amount to be reserved must be computed using a formula based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. This subsection does not apply to an adopted budget in which the members of an association have determined, by a majority vote at a duly called meeting of the association, to provide no reserves or less reserves than required by this subsection.

b. Before turnover of control of an association by a developer to unit owners other than a developer pursuant to s. [718.301](#), the developer may vote the voting interests allocated to its units to waive the reserves or reduce the funding of reserves through the period expiring at the end of the second fiscal year after the fiscal year in which the certificate of a surveyor and mapper is recorded pursuant to s. [718.104](#)(4)(e) or an instrument that transfers title to a unit in the condominium which is not accompanied by a recorded assignment of developer rights in favor of the grantee of

such unit is recorded, whichever occurs first, after which time reserves may be waived or reduced only upon the vote of a majority of all nondeveloper voting interests voting in person or by limited proxy at a duly called meeting of the association. If a meeting of the unit owners has been called to determine whether to waive or reduce the funding of reserves and no such result is achieved or a quorum is not attained, the reserves included in the budget shall go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves.

3. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and may be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a duly called meeting of the association. Before turnover of control of an association by a developer to unit owners other than the developer pursuant to s. [718.301](#), the developer-controlled association may not vote to use reserves for purposes other than those for which they were intended without the approval of a majority of all nondeveloper voting interests, voting in person or by limited proxy at a duly called meeting of the association.

4. The only voting interests that are eligible to vote on questions that involve waiving or reducing the funding of reserves, or using existing reserve funds for purposes other than purposes for which the reserves were intended, are the voting interests of the units subject to assessment to fund the reserves in question. Proxy questions relating to waiving or reducing the funding of reserves or using existing reserve funds for purposes other than purposes for which the reserves were intended must contain the following statement in capitalized, bold letters in a font size larger than any other used on the face of the proxy ballot: **WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.**

(g) Structural integrity reserve study.—

1. A residential condominium association must have a structural integrity reserve study completed at least every 10 years after the condominium’s creation for each building on the condominium property that is three stories or higher in height, as determined by the Florida Building Code, which includes, at a minimum, a study of the following items as related to the structural integrity and safety of the building:

- a. Roof.
- b. Structure, including load-bearing walls and other primary structural members and primary structural systems as those terms are defined in s. [627.706](#).
- c. Fireproofing and fire protection systems.
- d. Plumbing.
- e. Electrical systems.
- f. Waterproofing and exterior painting.
- g. Windows and exterior doors.

- h. Any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000 and the failure to replace or maintain such item negatively affects the items listed in sub-subparagraphs a.-g., as determined by the visual inspection portion of the structural integrity reserve study.
2. A structural integrity reserve study is based on a visual inspection of the condominium property. A structural integrity reserve study may be performed by any person qualified to perform such study. However, the visual inspection portion of the structural integrity reserve study must be performed or verified by an engineer licensed under chapter 471, an architect licensed under chapter 481, or a person certified as a reserve specialist or professional reserve analyst by the Community Associations Institute or the Association of Professional Reserve Analysts.
3. At a minimum, a structural integrity reserve study must identify each item of the condominium property being visually inspected, state the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of each item of the condominium property being visually inspected, and provide a reserve funding schedule with a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each item of condominium property being visually inspected by the end of the estimated remaining useful life of the item. The structural integrity reserve study may recommend that reserves do not need to be maintained for any item for which an estimate of useful life and an estimate of replacement cost cannot be determined, or the study may recommend a deferred maintenance expense amount for such item. The structural integrity reserve study may recommend that reserves for replacement costs do not need to be maintained for any item with an estimated remaining useful life of greater than 25 years, but the study may recommend a deferred maintenance expense amount for such item.
4. This paragraph does not apply to buildings less than three stories in height; single-family, two-family, or three-family dwellings with three or fewer habitable stories above ground; any portion or component of a building that has not been submitted to the condominium form of ownership; or any portion or component of a building that is maintained by a party other than the association.
5. Before a developer turns over control of an association to unit owners other than the developer, the developer must have a turnover inspection report in compliance with s. [718.301\(4\)\(p\)](#) and (q) for each building on the condominium property that is three stories or higher in height.
6. Associations existing on or before July 1, 2022, which are controlled by unit owners other than the developer, must have a structural integrity reserve study completed by December 31, 2024, for each building on the condominium property

that is three stories or higher in height. An association that is required to complete a milestone inspection in accordance with s. [553.899](#) on or before December 31, 2026, may complete the structural integrity reserve study simultaneously with the milestone inspection. In no event may the structural integrity reserve study be completed after December 31, 2026.

7. If the milestone inspection required by s. [553.899](#), or an inspection completed for a similar local requirement, was performed within the past 5 years and meets the requirements of this paragraph, such inspection may be used in place of the visual inspection portion of the structural integrity reserve study.

8. If the officers or directors of an association willfully and knowingly fail to complete a structural integrity reserve study pursuant to this paragraph, such failure is a breach of an officer's and director's fiduciary relationship to the unit owners under s. [718.111](#)(1).

...

History.—s. 1, ch. 76-222; s. 1, ch. 77-174; s. 5, ch. 77-221; ss. 3, 4, ch. 77-222; s. 1, ch. 78-340; s. 6, ch. 79-314; s. 2, ch. 80-323; s. 2, ch. 81-225; s. 1, ch. 82-113; s. 4, ch. 82-199; s. 6, ch. 84-368; s. 6, ch. 86-175; s. 2, ch. 88-148; s. 7, ch. 90-151; s. 5, ch. 91-103; ss. 5, 6, ch. 91-426; s. 3, ch. 92-49; s. 3, ch. 94-336; s. 7, ch. 94-350; s. 36, ch. 95-274; s. 2, ch. 96-396; s. 32, ch. 97-93; s. 1773, ch. 97-102; s. 1, ch. 97-301; s. 2, ch. 98-195; s. 3, ch. 98-322; s. 53, ch. 2000-302; s. 21, ch. 2001-64; s. 9, ch. 2002-27; s. 5, ch. 2003-14; s. 4, ch. 2004-345; s. 4, ch. 2004-353; s. 134, ch. 2005-2; s. 7, ch. 2008-28; s. 88, ch. 2009-21; s. 10, ch. 2010-174; s. 3, ch. 2011-196; s. 5, ch. 2013-122; s. 1, ch. 2013-159; s. 3, ch. 2013-188; s. 1, ch. 2014-74; s. 9, ch. 2014-133; s. 3, ch. 2015-97; s. 3, ch. 2017-188; s. 2, ch. 2018-96; s. 15, ch. 2019-165.

Florida Administrative Code - Chapter 61B-22**FINANCIAL AND ACCOUNTING REQUIREMENTS; BUDGETS,
RESERVES, AND GUARANTEES**

- 61B-22.001 Definitions
- 61B-22.002 Accounting Records
- 61B-22.003 Budgets
- 61B-22.004 Guarantees of Common Expenses Under Section 718.116(9)(a)2., Florida Statutes
- 61B-22.005 Reserves**
- 61B-22.006 Financial Reporting Requirements
- 61B-22.0062 Transition Financial Statements; Turnover Audit

61B-22.001 Definitions.

For the purposes of this chapter the following definitions shall apply:

(1) “Accounting records” include all of the books and records identified in Section 718.111(12)(a)11., Florida Statutes, and any other records that identify, measure, record, or communicate financial information whether the records are maintained electronically or otherwise, including, all payroll and personnel records of the association, all invoices for purchases made by the association, and all invoices for services provided to the association.

(2) “Capital expenditure” means any expenditure of funds for:

- (a) The purchase of an asset whose useful life is greater than one year in length;
- (b) The replacement of an asset whose useful life is greater than one year in length; or
- (c) The addition to an asset that extends the useful life of the previously existing asset for a period greater than one year in length.

(3) “Deferred maintenance” means any maintenance or repair that:

- (a) Will be performed less frequently than yearly; and
- (b) Will result in maintaining the useful life of an asset.

(4) “Funds” means money and negotiable instruments including, for example, cash, checks, notes, and securities.

(5) “Reserves” means any funds, other than operating funds, that are restricted for deferred maintenance and capital expenditures, including the items required by Section 718.112(2)(f)2., Florida Statutes, and any other funds restricted as to use by

the condominium documents or the condominium association. Funds that are not restricted as to use by Section 718.112(2)(f), Florida Statutes, the condominium documents or by the association shall not be considered reserves within the meaning of this rule.

(6) “Turnover” means transfer of association control from developers to non-developer unit owners pursuant to Section 718.301, Florida Statutes.

Specific Authority 718.501(1)(f) FS. Law Implemented 718.111(12), 718.112(2)(f), 718.301, 718.501 FS. History—New 7-11-93, Formerly 7D-22.001, Amended 12-20-95, 12-23-02.

61B-22.002 Accounting Records.

All associations shall maintain accounting records in sufficient detail to permit determination of the revenues and expenses or receipts and disbursements attributable to separate condominiums and operating and reserve funds. Multicondominium associations shall maintain separate accounting records for the association and for each condominium operated by the association. Multicondominium associations created prior to July 1, 2000, that do not create separate ownership interests of the common surplus of the association for each unit, as provided in Sections 718.104(4)(h) and 718.110(12), Florida Statutes, shall not maintain separate fund balances for the association, and shall allocate all association revenues and expenses to each condominium operated by the association pursuant to the provisions of each condominium’s declaration.

Specific Authority 718.501(1)(f) FS. Law Implemented 718.111(12)(a)11., (14), 718.501 FS. History—New 7-11-93, Formerly 7D-22.002, Amended 12-20-95, 12-18-01.

61B-22.003 Budgets.

(1) Required elements for estimated operating budgets. The budget for each association shall:

(a) State the estimated common expenses or expenditures on at least an annual basis;

(b) Disclose the beginning and ending dates of the period covered by the budget;

(c) Show the total assessment for each unit type according to proportion of ownership on a monthly basis, or for any other period for which assessments will be due;

(d) Include all estimated common expenses or expenditures of the association including the categories set forth in Section 718.504(21)(c), Florida Statutes. Reserves for capital expenditures and deferred maintenance required by Section 718.112(2)(f), Florida Statutes, must be included in the proposed annual budget and shall not be waived or reduced prior to the mailing to unit owners of a proposed annual budget. If the estimated common expense for any category set forth in the

statute is not applicable, the category shall be listed followed by an indication that the expense is not applicable;

(e) Unless the association maintains a pooled account for reserves required by Section 718.112(2)(f)2., Florida Statutes, the association shall include a schedule stating each reserve account for capital expenditures and deferred maintenance as a separate line item with the following minimum disclosures:

1. The total estimated useful life of the asset;
2. The estimated remaining useful life of the asset;
3. The estimated replacement cost or deferred maintenance expense of the asset;
4. The estimated fund balance as of the beginning of the period for which the budget will be in effect; and
5. The developer's total funding obligation, when all units are sold, for each converter reserve account established pursuant to Section 718.618, Florida Statutes, if applicable.

(f) If the association maintains a pooled account for reserves required by Section 718.112(2)(f)2., Florida Statutes, the association shall include a separate schedule of any pooled reserves with the following minimum disclosures:

1. The total estimated useful life of each asset within the pooled analysis;
2. The estimated remaining useful life of each asset within the pooled analysis;
3. The estimated replacement cost or deferred maintenance expense of each asset within the pooled analysis; and
4. The estimated fund balance of the pooled reserve account as of the beginning of the period for which the budget will be in effect.

(g) Include a separate schedule of any other reserve funds to be restricted by the association as a separate line item with the following minimum disclosures:

1. The intended use of the restricted funds; and
2. The estimated fund balance of the item as of the beginning of the period for which the budget will be in effect.

(2) Unrestricted expense categories. Expense categories that are not restricted as to use shall be stated in the operating portion of the budget rather than the reserve portion of the budget.

(3) Record keeping requirements for budgets. The minutes of the association shall reflect the adoption of the budget and a copy of the proposed and adopted budgets shall be maintained as part of the financial records of the association.

(4) Multicondominium associations. Multicondominium associations shall comply with the following requirements:

(a) Provide a separate budget for each condominium operated by the association as well as for the association. Each such budget shall disclose:

1. Estimated expenses specific to a condominium such as the maintenance, deferred maintenance or replacement of the common elements of the condominium which shall be provided for in the budget of the specific condominium;

2. Estimated expenses of the association that are not specific to a condominium such as the maintenance, deferred maintenance or replacement of the property serving more than one condominium which shall be provided for in the association budget; and

3. Multicondominium associations created after June 30, 2000, or that have created separate ownership interests of the common surplus of the association for each unit as provided in Sections 718.104(4)(h) and 718.110(12), Florida Statutes, shall include each unit's share of the estimated expenses of the association, referred to in subsection (2) of this rule, which shall be shown on the individual condominium budgets. Multicondominium associations created prior to July 1, 2000, that have not created separate ownership interests of the common surplus of the association for each unit as provided in Sections 718.104(4)(h) and 718.110(12), Florida Statutes, shall include each condominium's share of the estimated expenses of the association, referred to in subsection (2) of this rule, which shall be shown on the individual condominium budgets.

4. The budgets of multicondominium associations created after June 30, 2000 or of multicondominium associations that have created separate ownership interests of the common surplus of the association for each unit as provided in Sections 718.104(4)(h) and 718.110(12), Florida Statutes, shall show the estimated revenues of each condominium and of the association.

(b) Associations that operate separate condominiums in a consolidated fashion pursuant to Section 718.111(6), Florida Statutes, may utilize a single consolidated budget.

(5) Limited common elements. If an association maintains limited common elements at the expense of only those unit owners entitled to use the limited common elements pursuant to Section 718.113(1), Florida Statutes, the budget shall include a separate schedule, or schedules, conforming to the requirements for budgets as stated in this rule, of all estimated expenses specific to each of the limited common elements, including any applicable reserves for deferred maintenance and capital expenditures. The schedule or schedules may group the maintenance expense of any limited common elements for which the declaration provides that the maintenance expense is to be shared by a group of unit owners.

(6) Phase condominium budgets. By operation of law, the annual budget of a phase condominium created pursuant to Section 718.403, Florida Statutes, shall automatically be adjusted to incorporate the change in proportionate ownership of the common elements by the purchasers and to incorporate any other changes related to

the addition of phases in accordance with the declaration of condominium. The adjusted annual budget shall be effective on the date that the amendment to the declaration adding a phase to a phase condominium is recorded in the official records of the county in which the condominium is located. Notwithstanding the requirements of subsection (7) of this rule, the association shall not be required to follow the provisions of Section 718.112(2)(c), Florida Statutes, unless, as a result of the budget adjustment, the assessment per unit has changed.

(7) Budget assessment amendments. The association may amend a previously approved annual budget. In order to do so the board of administration shall follow the provisions of Section 718.112(2)(e), Florida Statutes. For example, the board shall mail a meeting notice and copies of the proposed amended annual budget to the unit owners not less than 14 days prior to the meeting at which the budget amendment will be considered.

Specific Authority 718.501(1)(f) FS. Law Implemented 718.111(6), 718.112(2)(e), (f), 718.113, 718.501, 718.618 FS. History—New 7-11-93, Formerly 7D-22.003, Amended 12-20-95, 12-18-01, 12-23-02.

61B-22.004 Guarantees of Common Expenses Under Section 718.116(9)(a)2., Florida Statutes.

(1) Establishment of the guarantee. If a guarantee is not included in the purchase contracts, declaration, or prospectus, any agreement establishing a guarantee shall be effective only upon the approval of a majority of the voting interests of the unit owners other than the developer. Approval shall be expressed at a meeting of the unit owners, voting in person or by limited proxy; or by agreement in writing without a meeting if provided in the bylaws. Such guarantee shall meet the requirements of this rule.

(2) Guarantee period. The period of time for the guarantee shall be indicated by a specific beginning and ending date or event.

(a) The ending date or event shall be the same for all of the unit owners of a condominium, including unit owners in different phases of phase condominiums, but may vary for each condominium operated by a multicondominium association.

(b) The guarantee may provide for different intervals of time during a guarantee period with different dollar amounts for each such interval.

(c) The guarantee may provide that after the initial stated period, the developer has an option to extend the guarantee for one or more additional stated periods. The extension of a guarantee is limited to extending the ending date or event; therefore, the developer does not have the option of changing the level of assessments guaranteed.

(3) Maximum level of assessments. The stated dollar amount of the guarantee shall be an exact dollar amount for each type of unit identified in the declaration. Regardless of the stated dollar amount of the guarantee, assessments charged to a unit

owner shall not exceed the maximum obligation of the unit owner based on the total amount of the adopted budget and the unit owner's proportionate ownership share of the common elements.

(4) Cash funding requirements during the guarantee. The cash payments required from the guarantor during the guarantee period shall be determined as follows:

(a) If at any time during the guarantee period the funds collected from unit owner assessments at the guaranteed level and other revenues collected by the association are not sufficient to provide payment, on a timely basis, of all common expenses, including the full funding of the reserves unless properly waived, the guarantor shall advance sufficient cash to the association at the time such payments are due; and

(b) Expenses incurred in the production of non-assessment revenues, not in excess of the non-assessment revenues, shall not be included in the common expenses referenced in subsection (5) of this rule. If the expenses attributable to non-assessment revenues exceed non-assessment revenues only the excess expenses must be funded by the guarantor. For example, if the association operates a rental program in which rental expenses exceed rental revenues the guarantor shall fund the rental expenses in excess of the rental revenues. Interest earned on the investment of association funds may be used to pay the income tax expense incurred as a result of the investment, such expense shall not be charged to the guarantor, and the net investment income shall be retained by the association. Each such non-assessment revenue generating activity shall be considered separately. Capital contributions collected from unit owners are not revenues, and shall not be used to pay common expenses.

(5) Calculation of guarantor's final obligation. The guarantor's total financial obligation to the association at the end of the guarantee period shall be determined on the accrual basis using the following formula:

(a) The guarantor shall fund the total common expenses incurred during the guarantee period, including the full funding of the reserves unless properly waived; less

(b) The total regular periodic assessments earned by the association from the unit owners other than the guarantor during the guarantee period regardless of whether the actual level charged was less than the maximum guaranteed amount.

(c) If a guarantee pursuant to Section 718.116(9), Florida Statutes, existed within a multicondominium association created prior to July 1, 2000, the guarantor's financial obligation to the association shall be calculated as provided in paragraphs (a) and (b) for each condominium in which the guarantee existed. If a guarantee pursuant to Section 718.116(9), Florida Statutes, existed within a multicondominium association created after June 30, 2000, or within a multicondominium association created prior to July 1, 2000, that has created separate ownership interests of the common surplus of the association for each unit as provided in Sections 718.104(4)(h) and 718.110(12), Florida Statutes, the guarantor's financial obligation

to the association shall include the amount calculated pursuant to Section 718.116(9)(c), Florida Statutes.

(d) Expenses incurred in the production of non-assessment revenues, not in excess of the non-assessment revenues, shall not be included in the common expenses referenced in subsection (5) of this rule. If the expenses attributable to non-assessment revenues exceed non-assessment revenues only the excess expenses shall be funded by the guarantor. For example, if the association operates a rental program in which rental expenses exceed rental revenues the guarantor shall fund the rental expenses in excess of the rental revenues. Interest earned on the investment of association funds may be used to pay the income tax expense incurred as a result of the investment, such expense shall not be charged to the guarantor, and the net investment income shall be retained by the association. Each such non-assessment revenue generating activity shall be considered separately.

Specific Authority 718.501(1)(f) FS. Law Implemented 718.111(2), (4), (7), (9), 718.112(2)(b)2., 718.116(9), 718.501 FS. History—New 7-11-93, Formerly 7D-22.004, Amended 12-18-01, 6-24-04.

61B-22.005 Reserves.

(1) Reserves required by statute. Reserves required by Section 718.112(2)(f), Florida Statutes, for capital expenditures and deferred maintenance including roofing, painting, paving, and any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000 shall be included in the budget. For the purpose of determining whether the deferred maintenance expense or replacement cost of an item exceeds \$10,000, the association may consider each asset of the association separately. Alternatively, the association may group similar or related assets together. For example, an association responsible for the maintenance of two swimming pools, each of which will separately require \$6,000 of total deferred maintenance, may establish a pool reserve, but is not required to do so.

(2) Commingling operating and reserve funds. Associations that collect operating and reserve assessments as a single payment shall not be considered to have commingled the funds provided the reserve portion of the payment is transferred to a separate reserve account, or accounts, within 30 calendar days from the date such funds were deposited.

(3) Calculating reserves required by statute. Reserves for deferred maintenance and capital expenditures required by Section 718.112(2)(f), Florida Statutes, shall be calculated using a formula that will provide funds equal to the total estimated deferred maintenance expense or total estimated replacement cost for an asset or group of assets over the remaining useful life of the asset or group of assets. Funding formulas for reserves required by Section 718.112(2)(f), Florida Statutes, shall be based on either a separate analysis of each of the required assets or a pooled analysis of two or more of the required assets.

(a) If the association maintains separate reserve accounts for each of the required assets, the amount of the current year contribution to each reserve account shall be

the sum of the following two calculations:

1. The total amount necessary, if any, to bring a negative account balance to zero; and

2. The total estimated deferred maintenance expense or estimated replacement cost of the reserve asset less the estimated balance of the reserve account as of the beginning of the period for which the budget will be in effect. The remainder, if greater than zero, shall be divided by the estimated remaining useful life of the asset. The formula may be adjusted each year for changes in estimates and deferred maintenance performed during the year and may consider factors such as inflation and earnings on invested funds.

(b) If the association maintains a pooled account of two or more of the required reserve assets, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget shall be not less than that required to ensure that the balance on hand at the beginning of the period for which the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful lives of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal. The reserve funding formula shall not include any type of balloon payments.

(4) Estimating reserves that are not required by statute. Reserves that are not required by Section 718.112(2)(f), Florida Statutes, are not required to be based on any specific formula.

(5) Estimating non-converter reserves when the developer is funding converter reserves. For the purpose of estimating non-converter reserves, the estimated fund balance of the non-converter reserve account related to any asset for which the developer has established converter reserves pursuant to Section 718.618, Florida Statutes, shall be the sum of:

(a) The developer's total funding obligation, when all units are sold, for the converter reserve account pursuant to Section 718.618, Florida Statutes; and

(b) The estimated fund balance of the non-converter reserve account, excluding the developer's converter obligation, as of the beginning of the period for which the budget will be in effect.

(6) Timely funding. Reserves included in the adopted budget are common expenses and must be fully funded unless properly waived or reduced. Reserves shall be funded in at least the same frequency that assessments are due from the unit owners (e.g., monthly or quarterly).

(7) Restrictions on use. In a multicondominium association, no vote to allow an association to use reserve funds for purposes other than that for which the funds were

originally reserved shall be effective as to a particular condominium unless conducted at a meeting at which the same percentage of voting interests in that condominium that would otherwise be required for a quorum of the association is present in person or by proxy, and a majority of those present in person or by limited proxy, vote to use reserve funds for another purpose. Expenditure of unallocated interest income earned on reserve funds is restricted to any of the capital expenditures, deferred maintenance or other items for which reserve accounts have been established.

(8) Annual vote required to waive reserves. Any vote to waive or reduce reserves for capital expenditures and deferred maintenance required by Section 718.112(2)(f)2., Florida Statutes, shall be effective for only one annual budget. Additionally, in a multicondominium association, no waiver or reduction is effective as to a particular condominium unless conducted at a meeting at which the same percentage of voting interests in that condominium that would otherwise be required for a quorum of the association is present, in person or by proxy, and a majority of those present in person or by limited proxy vote to waive or reduce reserves. For multicondominium associations in which the developer is precluded from casting its votes to waive or reduce the funding of reserves, no waiver or reduction is effective as to a particular condominium unless conducted at a meeting at which the same percentage of non-developer voting interests in that condominium that would otherwise be required for a quorum of the association is present, in person or by proxy, and a majority of those present in person or by limited proxy vote to waive or reduce reserves.

Specific Authority 718.501(1)(f) FS. Law Implemented 718.112(2)(f), 718.501, 718.618 FS. History– New 7-11-93, Formerly 7D-22.005, Amended 12-20-95, 1-19-97, 12-18-01, 12-23-02.

61B-22.006 Financial Reporting Requirements.

(1) Basis of accounting. The financial statements required by Sections 718.111(13) and 718.301(4), F.S., shall be prepared on the accrual basis using fund accounting in accordance with generally accepted accounting principles. Reviewed financial statements shall be reviewed in accordance with standards for accounting and review services and audited financial statements shall be audited in accordance with generally accepted auditing standards. Reviews and audits of an association’s financial statements shall be performed by an independent certified public accountant licensed by the Florida Board of Accountancy. As used in this rule the terms “generally accepted accounting principles,” “standards for accounting and review services,” and “generally accepted auditing standards” shall have the same meaning as set forth in Chapter 61H1-20, F.A.C.

(2) Components. The financial statements required by Sections 718.111(13) and 718.301(4), F.S., shall at a minimum include the following components:

- (a) Accountant’s or Auditor’s Report;
- (b) Balance Sheet;

- (c) Statement of Revenues and Expenses;
- (d) Statement of Changes in Fund Balances;
- (e) Statement of Cash Flows; and
- (f) Notes to financial statements.

(3) Disclosure requirements. The financial statements required by Sections 718.111(13) and 718.301(4), F.S., shall contain the following disclosures within the financial statements, notes, or supplementary information:

(a) The following reserve disclosures shall be made regardless of whether reserves have been waived for the fiscal period covered by the financial statements:

1. The beginning balance in each reserve account as of the beginning of the fiscal period covered by the financial statements;

2. The amount of assessments and other additions to each reserve account including authorized transfers from other reserve accounts;

3. The amount expended or removed from each reserve account, including authorized transfers to other reserve accounts;

4. The ending balance in each reserve account as of the end of the fiscal period covered by the financial statements;

5. The amount of annual funding required to fully fund each reserve account, or pool of accounts, over the remaining useful life of the applicable asset or group of assets;

6. The manner by which reserve items were estimated, the date the estimates were last made, the association's policies for allocating reserve fund interest, and whether reserves have been waived during the period covered by the financial statements; and

7. If the developer has established converter reserves pursuant to Section 718.618(1), F.S., each converter reserve account shall be identified and include the disclosures required by this rule.

(b) The method by which income and expenses were allocated to the unit owners;

(c) The specific purpose or purposes of any special assessments to unit owners pursuant to Section 718.116(10), F.S., and the amount of each special assessment and the disposition of the funds collected;

(d) The amount of revenues and expenses related to limited common elements shall be disclosed when the association maintains the limited common elements and the expense is apportioned to those unit owners entitled to the exclusive use of the limited common elements; and

(e) If a guarantee pursuant to Section 718.116(9), F.S., existed at any time during the fiscal year, the financial statements shall disclose the following:

- 1. The period of time covered by the guarantee;

2. The amount of common expenses incurred during the guarantee period;
3. The amount of assessments charged to the non-developer unit owners during the guarantee period;
4. The amount of non-assessment revenues earned by the association, with each non-assessment revenue generating activity disclosed separately, during the guarantee period;
5. The amount of expenses incurred in the production of non-assessment revenues, with each non-assessment revenue generating activity disclosed separately, during the guarantee period;
6. The amount of the developer’s payments pursuant to the guarantee; and
7. Any financial obligation due to or from the developer resulting from the guarantee.

(4) Multicondominium associations. Multicondominium associations may present the financial statements required by Sections 718.111(13) and 718.301(4), F.S., on a combined basis as long as the financial statements, notes, or supplementary information disclose the revenues, expenses, and changes in fund balance for each condominium, and the association, as applicable. The financial statements, notes, or supplementary information shall also disclose the revenues and expenses of the association that are not directly associated with specified condominiums, and the method used to allocate such expenses to the condominiums or units, as applicable. Additionally, the reserve disclosures required by this rule shall be presented separately for each condominium and for any association reserves not specifically identified with individual condominiums. The provisions of this rule shall apply to multicondominium financial reporting for fiscal periods ending on or after December 31, 2002. Earlier application of the provisions of this rule is permitted.

(5) Developer assessments. All financial reporting required by Chapter 718, F.S., shall disclose the assessment revenues from the developer separately from that of the non-developer unit owners.

(6) Financial reports required by Section 718.111(13)(b), F.S.. The financial report required by Section 718.111(13)(b), F.S., shall meet the following requirements:

- (a) The report shall be prepared using a cash basis method of accounting.
- (b) The report shall include the reserve disclosures required by paragraph 61B-22.006(3)(a), F.A.C.
- (c) The report shall include the special assessment disclosure required by paragraph 61B-22.006(3)(c), F.A.C.
- (d) If the association maintains limited common elements and the expense is apportioned to those units entitled to the exclusive use of the limited common elements the report shall contain the limited common element disclosures required

by paragraph 61B-22.006(3)(d), F.A.C.

(e) The financial reports of multicondominium associations shall separately disclose the following items:

1. The receipts and expenditures directly associated with specific condominiums; and

2. The receipts and expenditures of the association that are not directly associated with specific condominiums.

(7) The minutes of the association shall reflect the number of votes cast by the membership to waive the requirement for audited, reviewed, or compiled financial statements and the type of financial reporting that the association will be preparing and disseminating to the membership.

Specific Authority 718.111(13), 718.501(1)(f) FS. Law Implemented 718.111(12)(a)11., (13), 718.301(4) FS. History–New 7-11-93, Formerly 7D-22.006, Amended 12-20-95, 2-13-97, 12-18-01, 6-24-04, 3-26-09.

61B-22.0062 Transition Financial Statements; Turnover Audit.

(1) Period covered. The audit required by Section 718.301(4)(c), Florida Statutes, applies to all transfers of association control from developers to unit owners pursuant to Section 718.301(4), Florida Statutes, occurring on or after April 1, 1992. The audit shall cover a period beginning with the date of incorporation of the association, or from the end of the fiscal period covered by the last audit if all fiscal periods have been audited, and ending with the date of the transfer of association control to unit owners other than the developer. Nothing herein precludes the developer from exceeding the requirements of this rule by engaging a certified public accountant to audit the entire period of developer control rather than from the period covered by the last audit.

(2) Additional disclosure requirements for turnover audits. The financial statements, notes, or supplementary information shall present the revenues and expenses separately for each fiscal year and any interim periods included in the audit. The notes to the financial statements shall contain the following disclosures:

(a) A statement that the financial statements were prepared pursuant to Section 718.301(4)(c), Florida Statutes;

(b) A statement of total cash payments made by the developer to the association;

(c) If the developer claims to have paid common expenses of the association which do not appear on the books and records of the association, the amount and purpose of each such expenditure shall be identified separately; and,

(d) If a guarantee pursuant to Section 718.116(9), Florida Statutes, existed at any time during the period covered by the audit the financial statements shall disclose the following:



1. The period of time covered by the guarantee;
2. The amount of common expenses incurred during the guarantee period;
3. The amount of assessments charged to the non-developer unit owners during the guarantee period;
4. The amount of non-assessment revenues earned by the association, with each non-assessment revenue generating activity disclosed separately, during the guarantee period;
5. The amount of expenses incurred by the association in the production of non-assessment revenues, with each non-assessment revenue generating activity disclosed separately, during the guarantee period;
6. The amount of the developer's payments pursuant to the guarantee; and
7. Any financial obligation due to or from the developer resulting from the guarantee.

Specific Authority 718.111(13), 718.501(1)(f) FS. Law Implemented 718.111(13), 718.301(4)(c) FS. History–New 7-11-93, Formerly 7D-22.0062, Amended 12-20-95, 6-24-04.